

# USD Bond Fund

An investment fund option for variable life insurance products of **The Manufacturers Life Insurance Co., (Phils), Inc.**

## Investment Objective

The Fund seeks to achieve long-term capital appreciation by investing in USD denominated sovereign and corporate debt securities and/or pooled fund/s that invest in these securities and other liquid instruments.

## Fund Information

<b>Inception Date</b> November 2004	<b>Fund Size</b> USD 7.28 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 2.173	<b>Management Fee</b> 1.75% per annum	<b>Bloomberg Ticker</b> MPUSBND	

## Performance Return (April 30, 2023)

USD Bond Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	1.02%	3.18%	-0.50%	-9.95%	3.13%	117.30%
Annualized	n.a.	n.a.	-0.50%	-3.43%	0.62%	4.30%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

## Monthly Net Asset Value per Unit

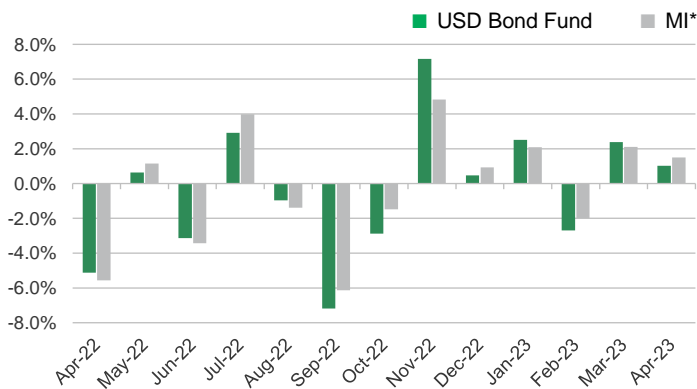


## Top Five Holdings

ROP 06/10/31	11.48%
ROP 01/20/40	10.59%
ROP 02/02/30	7.66%
ROP 01/14/31	7.27%
ROP 10/23/34	6.43%

Notes:  
ROP - Republic of the Philippines dollar-denominated bonds

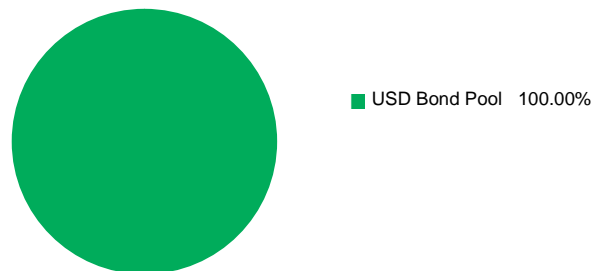
## Monthly Performance



\*Market Indicator = 100% Markit iBoxx ADBI Philippines Index

## Portfolio Breakdown

### Asset Allocation (at Market Value)



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 100% USD Bond Pool. The investments of the USD Bond Pool consist of US\$ denominated bonds of the Republic of the Philippines, corporates and term deposits.

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## Market Review

In the United States, US Treasury yields ranged traded due to continued market volatility amid building fears over economic recession arising from the US banking sector turmoil and cumulative impact from the monetary tightening. US first-quarter GDP grew by 1.1% (quarter-on-quarter, annualized, first estimate), decelerated from 2.6% in fourth-quarter 2022 and below market expectation. Consumer price inflation decelerated to 5.0% (year-on-year) in March, compared to 6.0% in February. Over the month, the 10-year US Treasury yield trended lower from 3.47% to 3.42%, whilst the Philippine dollar-denominated (ROP) bond yields followed the US Treasury yields lower.

Asian investment grade (IG) credits posted positive performance for the month largely driven by lower US Treasury yield movement and tighter credit spreads. Credit spreads on the J.P. Morgan Investment Grade Corporate Bond Index tightened by 12bps; the J.P. Morgan Asian Investment Grade Corporate Bond Index increased by 1.18%. China investment grade (IG) credit generally outperformed on the back of strong China Q1 GDP numbers and supportive market trading technical with limited new bond supply. Elsewhere in Asia, an Indian conglomerate rallied after it reinvigorated investor confidence in its ability to repay by announcing potential partial buyback of some bonds. Primary activity picked up with a South Korean Bank, Hong Kong conglomerate, Indonesian quasi-sovereign, Indian HY renewable and a China IG issuer tapping the market before the long holidays in May.

## Outlook

Market expectations of a Fed pivot have been building amid the banking crisis in US and Europe. In Asia ex-China region, we believe most central banks are close to the end of its monetary policy tightening cycle amid benign inflationary environment. We believe China's shift away from its zero-Covid policy would help boost its growth trajectory; whilst we expect a positive spillover effect to other Asian economies in a varying degree and see pockets of opportunities across Asia. Economies such as Indonesia and Thailand are expected to benefit from China's reopening via increased trade and tourism. Furthermore, we believe the supportive measures for the real estate sector announced by the Chinese government should drive a gradual recovery in new home sales and moderate developers' stretched liquidity situation. While we are seeing early signs of stabilization in new home sales data, we are closely monitoring the pace of recovery and how it can benefit the broader sector and respective developers.

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The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Investment Management and Trust Corporation.

The Fund mentioned in this document is specific to variable life insurance contracts and is not considered a mutual fund. Yields depend on interest and foreign exchange rate levels, both of which may fluctuate. Other factors that affect yield include changes in the credit standing of the issuers and changes in the value of the stocks and dividends received. Further, investments of the Fund may provide that their values be determined based on prices or yields of other securities, instruments or foreign currencies, and such provisions may result in negative fluctuations in the value of these investments and, in turn, the Fund's yields. Thus, the performance of the separate account(s) is not guaranteed and the value of the policy could be less than the capital invested. THE VARIABLE LIFE POLICYHOLDER SHALL BEAR ALL INVESTMENT RISKS. Past performance of the Fund is not necessarily indicative of future performance. Yields are not guaranteed.

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